Is the World Bank rolling back commitments to citizen and civil society engagement, again?

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At Issue

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Once again, the World Bank's commitment to citizen and civil society engagement is being called into question as it drops a decade-old corporate commitment to project monitoring and withholds from the public a 2023 assessment of recent citizen engagement efforts. Understanding the Bank's chequered history with public, community and civil society participation is key for understanding what is at stake and what to do next.

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The World Bank is pulling back on its commitments to ensure that governments meaningfully engage with their citizens. Bank leadership would likely dispute this, but recent high-level actions say otherwise.

Did you know that in 2024 the Bank cut a decade-old 'corporate' requirement for projects to include and monitor citizen engagement? No? A civil society message to President Banga illustrates the issue. Did you know that in 2023 the Bank undertook a strategic review of 10 years of World Bank citizen engagement? No? That's because management blocked it from being published. Did you know that the Bank's management recently abandoned its only analytical tool through which a country's civic space could be assessed to inform Bank lending? No? In late 2023 the Bank quietly "evolved" this out of its country partnership approach.

Is the World Bank's backsliding on commitments to citizen and civil society engagement urgent news or just business as usual? The participation of the public, communities and civil society generally has had a chequered history in the Bank (see *Dispatch* Annuals 2016; *Bulletin* February 2014). Beyond global political and development trends, key catalysts for up and down shifts include organised civil society advocacy, public criticism, donor-led transformations and lobbying, insider staff action (or inaction), and perhaps most influentially, leadership mandates accompanied by continued advocacy and attention (or leadership reticence). Knowing the history enables us to better understand what is at stake and what to do next.

The 'discovery' of development's social dimensions: do-no-harm, participation and civil society dialogue

The Bank's work on 'do-no-harm', 'participation' and 'civil society engagement' has related but distinct origins and trajectories. In 1973, an internal review of World Bank "problem project files (1968-72)" found consistent links between troubled operations and cases of community harm, identifying processes of land acquisition and resettlement as recurring culprits. The report recognised that 'social dimensions' mattered for development effectiveness, although limited to harm mitigation and reduction of reputational risk, and pushed the Bank to recruit staff with skill sets that could address these challenges. In 1977, an agriculture department study found that the success of rural development projects was strongly associated with beneficiary farmers' active participation in planning, design and implementation, perhaps the earliest Bank-generated evidence that supported participatory development. This period also saw increased civil society mobilisation and protest targeting Bank practices and policies in response, for example, to human rights violations (i.e. lending to the Chilean dictatorship of Augusto Pinochet) and project-specific grievances (i.e. the Chico River dam in the Philippines).

In the early 1980s, the Bank introduced its first 'do-no-harm' policies. Patchy in their coverage and primarily to safeguard the environment, this policy regime only included two targeting social issues. The first set protections and compensation standards for project-caused involuntary resettlement, while the second mandated protections for indigenous/tribal peoples. In parallel, in 1981 the Bank adopted its first operational Policy Note on non-governmental organisations (NGOs) and then in 1982 formed an NGO-World Bank committee. Closely controlled by the Bank, the committee's stated purpose was to increase NGO involvement in Bank-financed projects. Such Bank-initiated overtures to some NGOs did not weaken broader civil society's calls for more substantive voice and participation. As an example, the NGO-led Multilateral Development Bank (MDB) Campaigns lobbied the big donor governments to leverage their significant financial contributions to push for change.

In 1985, proponents of participatory development within the Bank received a boost. The widely disseminated and praised publication, *Putting People First*, challenged the Bank's economic reductionist theory of development, centring instead on people affected by development projects. In parallel, an Operation Evaluation Department (OED) report documented the link between project effectiveness and participation in agricultural and rural development projects. The OED report helped to launch the Bank-wide Participatory Development Learning Group in 1990, which investigated the opportunities and challenges of promoting participatory development approaches within the Bank. The group's 1994 final report provided the foundation for the Bank's seminal 1993-1996 Participation Sourcebook, the Bank's first comprehensive guide to incorporating participatory approaches into projects.

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In parallel, the 1992 Morse Commission report and 1994 World Bank Resettlement Review publicised fierce criticism of how the Bank managed project-induced resettlement. It showed how Bank investment both exacerbated and created poverty, often because projects did not adhere to the safeguards enacted specifically to protect communities from these consequences. This led to the Bank's most concrete engagement-related operational shifts since the first social safeguards a decade prior. The shifts included the creation of the Division of Social Policy and Resettlement, an information disclosure policy and an independent accountability mechanism (IAM), the Inspection Panel. The Panel, which set a precedent for other international financial institutions, was designed to receive complaints from people adversely affected by Bank projects and – independent of Bank management – would determine whether projects complied with Bank policies and procedures.

Participation (from a governance perspective) gets a boost from the highest levels of the institution

In parallel to participation-related advancements, the Bank tentatively discovered governance. This pivot was first documented in a management-backed discussion paper that incorporated select governance issues into Bank analytic and lending programmes, introducing an 'official' definition for accountability, "holding public officials responsible for their actions." Four years later, newly-appointed President James Wolfensohn (1995-2005) set a mandate for "good public sector governance and anti-corruption efforts," prioritising "transparency, accountability and participation" in pursuit of sustainable development. Under Wolfensohn's nascent leadership, in 1996 the Bank accepted a civil society challenge to review the social and political costs of 15 years of structural adjustment operations. In 1999, Wolfensohn launched a new model for country engagement intended to be "strategic, participatory, and country-led," further expanding the enabling environment within the Bank to pursue participation from a governance perspective.

To further his governance agenda, in the late 1990s Wolfensohn initiated a Bank-wide re-organisation that established the Social Development Network (SDN) and social development units across all regions. From these freshly galvanised Bank units came the operational approach Community Driven Development (CDD), which applied the concept of "social capital" consciously and deliberately to large project design, emphasising partnerships and ownership rather than "targets" and "beneficiaries." In 1999, came the Guidelines for Consultation with Civil Society (formally published in 2002), which provided practical guidance for structuring government-civil society dialogue. Following years of providing unique and norm-challenging guidance on issues more typically overlooked at the Bank (including 'civic space'), in 2005, SDN set out the inaugural Social Development Strategy, establishing participation as a minimum requirement for development, and promoting accountability, inclusion and cohesion as fundamental to sustainable development. This strategy differentiated what it called 'social accountability' from previous visions of accountability because it focused on strengthening the role of communities rather than expecting accountable action from those with power.

Wolfensohn departed the Bank in 2005. Without support from the top, opportunities, including funding, gradually receded. Still, in 2007 the Bank released a Governance and Anti-corruption Strategy (GAC). The GAC grew from the 2004 World Development Report, *Making services work for poor people*, which had promoted voice and accountability as critical to effective service delivery. The GAC featured multi-stakeholder engagement with actors from the "demand-side" of governance as one of its core principles. The GAC emphasised the crucial importance of strengthening and promoting constituencies outside the state executive – like civil society, media, national legislatures and local communities – to build citizen pressure for better governance and catalyse change. The SD and GAC strategies shared many commonalities. Both were intended to promote accountability-focused initiatives designed to proactively engage citizens both as part of World Bank operations and as stand-alone projects or platforms. The Bank's social accountability of the mid 90s to mid to late 2000s is recognised for its innovation and impact. It could be argued that in terms of depth, it outweighs anything that has come since.

The Bank under Jim Yong Kim – citizen engagement becomes a corporate target

In the post-Wolfensohn era (2005-2012), there was a substantial backslide in institutional support for, and innovation related to, participation, social accountability and demand-side governance. Individual staff and managers were left to maintain the progress of the previous years without high-level institutional backing. The arrival of Jim Yong Kim brought a promise of change. At the 2013 World Bank Annual Meetings, Kim promised to improve Bank engagement with citizens by incorporating feedback into 100 per cent of its projects with 'identifiable beneficiaries'. In 2014, Kim's pledge became a new corporate commitment, although only to be applied to Investment Project Financing (IPF), the Bank's most often used financial instrument (and not applicable to general budget support, i.e. Development Policy Financing [DPF]). Even with these gaps in coverage, for the first time, the institution required broad-based citizen engagement in its sectoral projects (i.e. education, water and energy) and officially tracked engagement activities as part of corporate and project monitoring.

This vision took shape as the Citizen Engagement (CE) Agenda, with the 2014 Strategic Framework for Mainstreaming Citizen Engagement as the primary source of written guidance. The tracked commitment required IPFs to meet measurable benchmarks, including incorporating at least one mechanism to foster feedback from project beneficiaries, the results of which were to be reported on during implementation. This president backed corporate commitment was crucial to how the CE agenda took on a higher profile. From 2016-2023, over 90 per cent of IPFs included some sort of citizen engagement – an increase from 60 per cent in 2014. Although there was limited associated funding for CE implementation and modest goals, the corporate requirement represented the Bank's first formalised approach with institution-wide reach for engaging citizens from a project's inception to completion

In 2018, the Bank introduced the Environmental and Social Framework (ESF) as its central social risk management tool. Like the prior safeguard policies, the ESF only applied to IPF, meaning DPF continued with far more limited minimal, separate safeguards. In theory, the ESF intended to move from a risk management perspective to one that pursued more proactive engagement with stakeholders. Yet the framework still only emphasised minimal compliance with do-no-harm principles, rather

Civil society representatives participate in townhall during the World Bank Annual Meetings in Marrakech, October 2023. Credit: World Bank / Flickr than positive, empowering impacts for communities. The main avenues for pursuing engagement as described in the ESF were consultations (i.e. through the mandated Stakeholder Engagement Plans) and grievance redress. Not only are these particularly weak mechanisms to promote active engagement, under the ESF there was a principle of proportionality that means that if there was limited social risk there was little need for engagement. This is not a minor difference. Even with some degree of proactive stakeholder engagement, the ESF is fundamentally about managing risk and not empowered engagement.

A rollback of citizen engagement: despite 'evolution' the Bank is going backwards

President Kim departed the World Bank in 2019, taking with him the leadership and accompanying oversight that had elevated the citizen engagement agenda. The focus on getting CE in each and every 'investment project' did have its drawbacks. From a civil society watchdog perspective, framing citizen engagement around individual beneficiaries, instead of the wider grouping of all project-affected peoples, risked atomising the process and diminishing opportunities for collective action. A 2018 Independent Evaluation Group (IEG) report found that mainstreaming CE commitments had increased its prominence across the institution, expanding its visibility in projects. Yet it also found that among many limitations, indicators rarely tracked results of most CE mechanisms beyond minimum compliance and the feedback loop that supposedly had motivated the agenda was neither mainstreamed nor tracked. Other external assessments, including one in 2021 by this author based on the perceptions of Bank staff, backed up the IEG findings and added that institutional incentives and the lack of funding may have motivated some operational staff to only meet minimum standards rather than achieve maximal impact. In line with the above, the embargoed 2023 review of World Bank CE (seen by this author) found that the Bank indeed had largely succeeded in meeting the CE corporate requirements, but that such minimal requirements do not represent an adequate benchmark for meaningful citizen and civil society engagement.

The loss of the corporate requirement for CE and the apparent rollback of the agenda, despite ongoing advocacy and innovation from champions inside and outside the Bank, represents significant backsliding by World Bank management. Just before press time, Bank management responded to the civil society push back (in a letter seen by this author), saying that they are "discussing ways" to re-introduce some CE input/process tracking. If management actually follows through, this would be a positive step, but far from sufficient. World Bank management touts the role the ESF can play instead. However, the ESF is fundamentally a social risk management tool. There is no precedent for Bank safeguarding that pursues empowerment ends, meaning it offers little to foster people's agency in improving project relevance and outcomes. If the ESF is to be the basis for the next phase of CE in the Bank's history, then again, the institutionally-mandated opportunities for participation come only via requirements to meet minimum standards for risk management, i.e. questionable grievance redress mechanisms and cursory consultations. Going beyond these minimums, once again, will require individual staff to buck the dominant institutional incentives.

The bottom line is that despite bouts of progress over the course of 50 years, the Bank still falls far short of getting governments to engage effectively with their citizens and civil society. Even the 'successes' of the last decade, lamented here as they are being rolled back, were just the beginning of the Bank institutionalising the concept of people having a say – be it in large infrastructure or rural health care projects.

History shows that the greatest power for change comes with buy-in and ongoing support from the highest levels of Bank leadership and pressure from the big donors. While this is not something civil society can control, we must expose the Bank's backsliding, once again, on this important agenda. We must ensure that Bank leadership is accountable for their choices right now as well as the institution's history of yo-yo stances on simply ensuring that people are effectively engaged in the Bank-financed projects that affect their lives.

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